

**PUBLIC SCHOOL FUNDING**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

Senate Sponsor: \_\_\_\_\_

---

**LONG TITLE****General Description:**

This bill amends provisions in the Minimum School Program Act, the Property Tax Act, and the Sales and Use Tax Act relating to certain property tax levies and the funding of public school programs.

**Highlighted Provisions:**

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ requires a school district to abate certain property taxes raised for debt service to the extent that money is available from other sources for the payment of bond interest, principal, and redemption premiums;
- ▶ requires a school district to use the money received from the increase in the sales and use tax to offset the loss of certain property tax revenue;
- ▶ prohibits a taxing entity from imposing a property tax rate higher than the taxing entity's certified tax rate for three years;
- ▶ increases the sales and use tax on certain transactions by 1.65%;
- ▶ dedicates the revenue generated by the 1.65% increase to the Uniform School Fund;
- ▶ adjusts a school district's certified tax rate due to the repeal or amendment of the property taxing authority of the school district;
- ▶ defines terms; and
- ▶ makes technical changes.



**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides an effective date and provides retrospective operation for Section 59-2-919.1.

**Utah Code Sections Affected:****AMENDS:**

**11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30  
**11-13-302**, as last amended by Laws of Utah 2007, Chapter 108  
**20A-1-203**, as last amended by Laws of Utah 2007, Chapter 215  
**53A-1a-513**, as last amended by Laws of Utah 2005, Chapters 9 and 291  
**53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297  
**53A-2-206**, as last amended by Laws of Utah 2007, Chapter 372  
**53A-17a-103**, as last amended by Laws of Utah 2007, Chapters 107 and 372  
**53A-17a-105**, as last amended by Laws of Utah 1994, Chapter 268  
**53A-17a-127**, as last amended by Laws of Utah 2001, Chapter 73  
**53A-21-103**, as last amended by Laws of Utah 2003, Chapter 320  
**53A-21-104**, as last amended by Laws of Utah 2007, Chapter 344  
**59-2-404**, as last amended by Laws of Utah 1999, Chapter 181  
**59-2-405**, as last amended by Laws of Utah 2005, Chapters 217 and 244  
**59-2-405.1**, as last amended by Laws of Utah 2006, Chapter 164  
**59-2-405.2**, as last amended by Laws of Utah 2006, Fifth Special Session, Chapter 3  
**59-2-405.3**, as enacted by Laws of Utah 2005, Chapter 217  
**59-2-919**, as last amended by Laws of Utah 2006, Chapters 26 and 104  
**59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329  
**59-12-103**, as last amended by Laws of Utah 2007, Chapters 9, 101, 126, 206, and 288  
**59-12-1201**, as last amended by Laws of Utah 2006, Chapters 135 and 253  
**63-30d-704**, as enacted by Laws of Utah 2004, Chapter 267

**ENACTS:**

**53A-17a-154**, Utah Code Annotated 1953  
**53A-18-107**, Utah Code Annotated 1953

59           **59-2-919.1**, Utah Code Annotated 1953

60   REPEALS:

61           **53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326

62           **53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326

63           **53A-16-107**, as last amended by Laws of Utah 1999, Chapter 332

64           **53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371

65           **53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26

66           **53A-17a-134**, as last amended by Laws of Utah 2006, Chapter 26

67           **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271

68           **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

69           **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305

---

71   *Be it enacted by the Legislature of the state of Utah:*

72           Section 1. Section **11-2-7** is amended to read:

73           **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**  
74 **of television owners and users -- Collection of license fees.**

75           (1) All expenses incurred in the equipment, operation and maintenance of such  
76 recreational facilities and activities shall be paid from the treasuries of the respective cities,  
77 towns, counties, or school districts, and the governing bodies of the same may annually  
78 appropriate~~[, and cause to be raised by taxation,]~~ money for such purposes.

79           (2) In areas so remote from regular transmission points of the large television stations  
80 that television reception is impossible without special equipment and adequate, economical and  
81 proper television is not available to the public by private sources, said local authorities may  
82 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain  
83 television transmission and relay facilities, all users or owners of television sets within the  
84 jurisdiction of said local authorities, and may provide for the collection of the license fees by  
85 suit or otherwise and may also enforce obedience to such ordinances with such fine and  
86 imprisonment as the local authorities deem proper; provided that the punishment for any  
87 violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment not  
88 exceeding one day for each \$5.00 of said fine, if the fine is not paid.

89           Section 2. Section **11-13-302** is amended to read:

**11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

(1) (a) Each project entity created under this chapter that owns a project and that sells any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in this section to each taxing jurisdiction within which the project or any part of it is located.

(b) For purposes of this section, "annual fee" means the annual fee described in Subsection (1)(a) that is in lieu of ad valorem property tax.

(c) The requirement to pay an annual fee shall commence:

(i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of impact alleviation payments under contracts or determination orders provided for in Sections 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the candidate in which the date of commercial operation of the last generating unit, other than any generating unit providing additional project capacity, of the project occurs, or, in the case of any facilities providing additional project capacity, with the fiscal year of the candidate following the fiscal year of the candidate in which the date of commercial operation of the generating unit providing the additional project capacity occurs; and

(ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the project commences, or, in the case of facilities providing additional project capacity, with the fiscal year of the taxing jurisdiction in which construction of those facilities commences.

(d) The requirement to pay an annual fee shall continue for the period of the useful life of the project or facilities.

(2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b) because the ad valorem property tax imposed by a school district and authorized by the Legislature under Section 53A-17a-135 represents ~~[both: (i)]~~ a levy mandated by the state for the state minimum school program under Section 53A-17a-135~~[-and]~~.

~~[(ii) local levies for capital outlay, maintenance, transportation, and other purposes under Sections 11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103.]~~

(b) The annual fees due a school district shall be as follows:

(i) the project entity shall pay to the school district an annual fee for the state minimum school program at the rate imposed by the school district and authorized by the Legislature under Subsection 53A-17a-135(1); and

(ii) for all other local property tax levies authorized to be imposed by a school district, the project entity shall pay to the school district either:

(A) an annual fee; or

(B) impact alleviation payments under contracts or determination orders provided for in Sections 11-13-305 and 11-13-306.

(3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by multiplying the fee base or value determined in accordance with Subsection (4) for that year of the portion of the project located within the jurisdiction by the percentage of the project which is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

(b) As used in this section, "tax rate," when applied in respect to a school district, includes any assessment to be made by the school district under Subsection (2) or Section 63-51-6.

(c) There is to be credited against the annual fee due a taxing jurisdiction for each year, an amount equal to the debt service, if any, payable in that year by the project entity on bonds, the proceeds of which were used to provide public facilities and services for impact alleviation in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

(d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:

(i) take into account the fee base or value of the percentage of the project located within the taxing jurisdiction determined in accordance with Subsection (4) used to produce the capacity, service, or other benefit sold to the supplier or suppliers; and

(ii) reflect any credit to be given in that year.

(4) (a) Except as otherwise provided in this section, the annual fees required by this section shall be paid, collected, and distributed to the taxing jurisdiction as if:

(i) the annual fees were ad valorem property taxes; and

(ii) the project were assessed at the same rate and upon the same measure of value as taxable property in the state.

(b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by this section, the fee base of a project may be determined in accordance with an agreement among:

(A) the project entity; and

(B) any county that:

(I) is due an annual fee from the project entity; and

(II) agrees to have the fee base of the project determined in accordance with the agreement described in this Subsection (4).

(ii) The agreement described in Subsection (4)(b)(i):

(A) shall specify each year for which the fee base determined by the agreement shall be used for purposes of an annual fee; and

(B) may not modify any provision of this chapter except the method by which the fee base of a project is determined for purposes of an annual fee.

(iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing jurisdiction.

(iv) (A) If there is not agreement as to the fee base of a portion of a project for any year, for purposes of an annual fee, the State Tax Commission shall determine the value of that portion of the project for which there is not an agreement:

(I) for that year; and

(II) using the same measure of value as is used for taxable property in the state.

(B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax Commission in accordance with rules made by the State Tax Commission.

(c) Payments of the annual fees shall be made from:

(i) the proceeds of bonds issued for the project; and

(ii) revenues derived by the project entity from the project.

(d) (i) The contracts of the project entity with the purchasers of the capacity, service, or other benefits of the project whose tangible property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad valorem property tax shall require each purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,

its share, determined in accordance with the terms of the contract, of these fees.

(ii) It is the responsibility of the project entity to enforce the obligations of the purchasers.

(5) (a) The responsibility of the project entity to make payment of the annual fees is limited to the extent that there is legally available to the project entity, from bond proceeds or revenues, monies to make these payments, and the obligation to make payments of the annual fees is not otherwise a general obligation or liability of the project entity.

(b) No tax lien may attach upon any property or money of the project entity by virtue of any failure to pay all or any part of an annual fee.

(c) The project entity or any purchaser may contest the validity of an annual fee to the same extent as if the payment was a payment of the ad valorem property tax itself.

(d) The payments of an annual fee shall be reduced to the extent that any contest is successful.

(6) (a) The annual fee described in Subsection (1):

(i) shall be paid by a public agency that:

(A) is not a project entity; and

(B) owns an interest in a facility providing additional project capacity if the interest is otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

(ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in accordance with Subsection (6)(b).

(b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

(i) the fee base or value of the facility providing additional project capacity located within the jurisdiction;

(ii) the percentage of the ownership interest of the public agency in the facility; and

(iii) the portion, expressed as a percentage, of the public agency's ownership interest that is attributable to the capacity, service, or other benefit from the facility that is sold by the public agency to an energy supplier or suppliers whose tangible property is not exempted by Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

(c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect

to its ownership interest as though it were a project entity.

Section 3. Section **20A-1-203** is amended to read:

**20A-1-203. Calling and purpose of special elections.**

(1) Statewide and local special elections may be held for any purpose authorized by law.

(2) (a) Statewide special elections shall be conducted using the procedure for regular general elections.

(b) Except as otherwise provided in this title, local special elections shall be conducted using the procedures for regular municipal elections.

(3) The governor may call a statewide special election by issuing an executive order that designates:

(a) the date for the statewide special election; and

(b) the purpose for the statewide special election.

(4) The Legislature may call a statewide special election by passing a joint or concurrent resolution that designates:

(a) the date for the statewide special election; and

(b) the purpose for the statewide special election.

(5) (a) The legislative body of a local political subdivision may call a local special election only for:

(i) a vote on a bond or debt issue;

~~[(ii) a vote on a voted leeway program authorized by Section 53A-17a-133 or 53A-17a-134;]~~

~~[(iii)]~~ (ii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedure;

~~[(iv)]~~ (iii) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;

~~[(v)]~~ (iv) if required or authorized by federal law, a vote to determine whether or not Utah's legal boundaries should be changed;

~~[(vi)]~~ (v) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act; or

~~[(vii)]~~ (vi) a vote to elect members to school district boards for a new school district and a remaining school district, as defined in Section 53A-2-117, following the creation of a new school district under Section 53A-2-118.1.



(b) The legislative body of a local political subdivision may call a local special election by adopting an ordinance or resolution that designates:

- (i) the date for the local special election; and
- (ii) the purpose for the local special election.

Section 4. Section **53A-1a-513** is amended to read:

**53A-1a-513. Funding for charter schools.**

(1) (a) Charter schools shall receive funding as described in this section, except Subsections (2) through (7) do not apply to charter schools described in Subsection (1)(b).

(b) Charter schools authorized by local school boards that are converted from district schools or operate in district facilities without paying reasonable rent shall receive funding as prescribed in Section 53A-1a-515.

(2) (a) Except as provided in Subsection (2)(b), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.

(b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:

- (i) .55 for kindergarten pupils;
- (ii) .9 for pupils in grades 1-6;
- (iii) .99 for pupils in grades 7-8; and
- (iv) 1.2 for pupils in grades 9-12.

(c) The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer Subsection (2)(b), including hold harmless provisions to maintain a charter elementary school's funding level for a period of two years after the effective date of the distribution formula.

(d) Subsection (2)(b) does not apply to funds appropriated to charter schools to replace local property tax revenues.

(3) The State Board of Education shall adopt rules to provide for the distribution of monies to charter schools under this section.

(4) (a) The Legislature shall provide an appropriation for charter schools for each of their students to replace some of the local property tax revenues that are not available to charter schools. The amount of money provided for each charter school student shall be determined by:

(i) calculating the sum of:

(A) school districts' operations and maintenance revenues derived from local property taxes, except revenues from imposing a minimum basic tax rate pursuant to Section 53A-17a-135;

(B) school districts' capital projects revenues derived from local property taxes; and

(C) school districts' expenditures for interest on debt; and

(ii) dividing the sum by the total average daily membership of the districts' schools.

(b) Of the monies provided to a charter school under Subsection (4)(a), 10% shall be expended for funding school facilities only.

(c) To qualify for money under Subsection (4)(a), a new charter school shall, by September 30 of the school year prior to the school year it intends to begin operations:

(i) obtain approval of its application for a charter from:

(A) the State Board of Education, pursuant to Section 53A-1a-505; or

(B) a local school board, pursuant to Section 53A-1a-515; and

(ii) submit to the chartering entity an estimate of the charter school's first year enrollment.

(d) Subsection (4)(c) does not apply to charter schools beginning operations in the 2005-06 school year.

(e) By December 1, the State Charter School Board shall submit to the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst an estimate of total charter school enrollment in the state for the following school year.

(5) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.

(6) The State Board of Education shall distribute funds for charter school students directly to the charter school.

(7) (a) Notwithstanding Subsection (2), a charter school is not eligible to receive state transportation funding.

(b) The board shall also adopt rules relating to the transportation of students to and from charter schools, taking into account ~~[Sections]~~ Section 53A-2-210 ~~[and 53A-17a-127]~~.

(c) The governing body of the charter school may provide transportation through an agreement or contract with the local school board, a private provider, or with parents.

(8) (a) (i) The state superintendent of public instruction may allocate grants for both start-up and ongoing costs to eligible charter school applicants from monies appropriated for the implementation of this part.

(ii) Applications for the grants shall be filed on a form determined by the state superintendent and in conjunction with the application for a charter.

(iii) The amount of a grant may vary based upon the size, scope, and special circumstances of the charter school.

(iv) The governing board of the charter school shall use the grant to meet the expenses of the school as established in the school's charter.

(b) The State Board of Education shall coordinate the distribution of federal monies appropriated to help fund costs for establishing and maintaining charter schools within the state.

(9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant, endowment, gift, or donation of any property made to the school for any of the purposes of this part.

(b) It is unlawful for any person affiliated with a charter school to demand or request any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the charter school as a condition for employment or enrollment at the school or continued attendance at the school.

(10) The State Office of Education shall use up to \$1,044,000 of funding provided for new growth to fund additional growth needs in charter schools in fiscal year 2005.

Section 5. Section **53A-2-118.2** is amended to read:

**53A-2-118.2. New school district property tax -- Limitations.**

(1) ~~[(a)]~~ A new school district created under Section 53A-2-118.1 may not impose a property tax prior to the fiscal year in which the new school district assumes responsibility for providing student instruction.

~~[(b)]~~ (2) The remaining school district retains authority to impose property taxes on the existing school district, including the territory of the new school district, until the fiscal year in which the new school district assumes responsibility for providing student instruction.

~~[(2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1 assumes responsibility for student instruction any portion of the territory within the new school~~

district was subject to a levy pursuant to Section 53A-16-110 or 53A-17a-133, the new school district's board may:]

[~~(i) discontinue the levy for the new school district;~~]

[~~(ii) impose a levy on the new school district as provided in Section 53A-16-110 or 53A-17a-133; or~~]

[~~(iii) impose the levy on the new school district, subject to Subsection (2)(b):~~]

[~~(b) If the new school district's board applies a levy to the new school district pursuant to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by the voters of the existing district or districts at the time of the vote to create the new school district.~~]

Section 6. Section 53A-2-206 is amended to read:

**53A-2-206. Interstate compact students -- Inclusion in attendance count --  
Funding for foreign exchange students -- Annual report -- Requirements for exchange  
student agencies.**

(1) A school district or charter school may include the following students in the district's or school's membership and attendance count for the purpose of apportionment of state monies:

(a) a student enrolled under an interstate compact, established between the State Board of Education and the state education authority of another state, under which a student from one compact state would be permitted to enroll in a public school in the other compact state on the same basis as a resident student of the receiving state; or

(b) a student receiving services under the Compact on Placement of Children.

(2) (a) A school district or charter school may include foreign exchange students in the district's or school's membership and attendance count for the purpose of apportionment of state monies, except as provided in Subsections (2)(b) through ~~(c)~~ (d).

(b) (i) Notwithstanding Section 53A-17a-106, foreign exchange students may not be included in average daily membership for the purpose of determining the number of weighted pupil units in the grades 1-12 basic program.

(ii) Subject to the limitation in Subsection (2)(c), the number of weighted pupil units in the grades 1-12 basic program attributed to foreign exchange students shall be equal to the number of foreign exchange students who were:

(A) enrolled in a school district or charter school on October 1 of the previous fiscal year; and

(B) sponsored by an agency approved by the district's local school board or charter school's governing board.

(c) (i) The total number of foreign exchange students in the state that may be counted for the purpose of apportioning state monies under Subsection (2)(b) shall be the lesser of:

(A) the number of foreign exchange students enrolled in public schools in the state on October 1 of the previous fiscal year; or

(B) 328 foreign exchange students.

(ii) The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer the cap on the number of foreign exchange students that may be counted for the purpose of apportioning state monies under Subsection (2)(b).

~~[(d) Notwithstanding Sections 53A-17a-133 and 53A-17a-134, weighted pupil units in the grades 1-12 basic program for foreign exchange students, as determined by Subsections (2)(b) and (c), may not be included for the purposes of determining a school district's state guarantee money under the voted or board leeway programs.]~~

~~[(e)]~~ (d) Notwithstanding Section 53A-17a-125, foreign exchange students may not be included in enrollment when calculating student growth for the purpose of adjusting the annual appropriation for retirement and Social Security.

(3) A school district or charter school may:

(a) enroll foreign exchange students that do not qualify for state monies; and

(b) pay for the costs of those students with other funds available to the school district or charter school.

(4) Due to the benefits to all students of having the opportunity to become familiar with individuals from diverse backgrounds and cultures, school districts are encouraged to enroll foreign exchange students, as provided in Subsection (3), particularly in schools with declining or stable enrollments where the incremental cost of enrolling the foreign exchange student may be minimal.

(5) The board shall make an annual report to the Legislature on the number of exchange students and the number of interstate compact students sent to or received from

public schools outside the state.

(6) (a) A local school board or charter school governing board shall require each approved exchange student agency to provide it with a sworn affidavit of compliance prior to the beginning of each school year.

(b) The affidavit shall include the following assurances:

(i) that the agency has complied with all applicable policies of the board;

(ii) that a household study, including a background check of all adult residents, has been made of each household where an exchange student is to reside, and that the study was of sufficient scope to provide reasonable assurance that the exchange student will receive proper care and supervision in a safe environment;

(iii) that host parents have received training appropriate to their positions, including information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who are in a position of special trust;

(iv) that a representative of the exchange student agency shall visit each student's place of residence at least once each month during the student's stay in Utah;

(v) that the agency will cooperate with school and other public authorities to ensure that no exchange student becomes an unreasonable burden upon the public schools or other public agencies;

(vi) that each exchange student will be given in the exchange student's native language names and telephone numbers of agency representatives and others who could be called at any time if a serious problem occurs; and

(vii) that alternate placements are readily available so that no student is required to remain in a household if conditions appear to exist which unreasonably endanger the student's welfare.

(7) (a) A local school board or charter school governing board shall provide each approved exchange student agency with a list of names and telephone numbers of individuals not associated with the agency who could be called by an exchange student in the event of a serious problem.

(b) The agency shall make a copy of the list available to each of its exchange students in the exchange student's native language.

Section 7. Section **53A-17a-103** is amended to read:

**53A-17a-103. Definitions.**

As used in this chapter:

(1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each district by \$2,514, except as otherwise provided in this chapter.

(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:

(i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a minimum basic tax rate, as specified in Subsection 53A-17a-135(1)(a); and

(ii) the product of:

(A) new growth, as defined in Section 59-2-924 and rules of the State Tax Commission; and

(B) the minimum basic tax rate certified by the State Tax Commission for the previous year.

(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not include property tax revenue received statewide from personal property that is:

(i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

~~[(3) "Leeway program" or "leeway" means a state-supported voted leeway program or board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.]~~

~~[(4)]~~ (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

~~[(5)]~~ (4) (a) "State-supported minimum school program" or "minimum school program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection ~~[(5)]~~ (4).

(b) The minimum school program established in the districts shall include the equivalent of a school term of nine months as determined by the State Board of Education.

(c) (i) The board shall establish the number of days or equivalent instructional hours

that school is held for an academic school year.

(ii) Education, enhanced by utilization of technologically enriched delivery systems, when approved by local school boards, shall receive full support by the State Board of Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing commercial advertising.

(d) The program includes the total of the following annual costs:

(i) the cost of a basic state-supported school program; and

(ii) other amounts appropriated in this chapter in addition to the basic program.

~~[(6)]~~ (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of factors that is computed in accordance with this chapter for the purpose of determining the costs of a program on a uniform basis for each district.

Section 8. Section **53A-17a-105** is amended to read:

**53A-17a-105. Action required for underestimated or overestimated weighted pupil units -- Action required for underestimating or overestimating local contributions.**

(1) If the number of weighted pupil units in a program is underestimated in Section 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so that the amount paid does not exceed the estimated amount by program.

(2) If the number of weighted pupil units in a program is overestimated in Section 53A-17a-104, the state superintendent of public instruction shall either increase the amount paid in that program per weighted pupil unit or transfer the unused amount in that program to another program included in the minimum school program.

(3) (a) If surplus funds are transferred to another program, the state superintendent, if he determines certain districts have greater need for additional funds, may designate the districts as well as the programs to which the transferred funds will be allocated.

(b) Any amounts transferred under Subsection (a) may be spent in addition to the amounts listed in Section 53A-17a-104.

(4) The limitation on the proceeds from local tax rates for operation and maintenance programs under this chapter is subject to ~~[modification by local school boards under Sections 53A-17a-133 and 53A-17a-134 and to]~~ special tax rates authorized by this chapter, and shall be adjusted accordingly.

(5) If local contributions are overestimated, the guarantee per weighted pupil unit is



reduced for all programs so the total state contribution for operation and maintenance programs does not exceed the amount authorized in Subsection 53A-17a-104(1).

(6) (a) If local contributions from the basic tax rate for operation and maintenance programs are underestimated, the excess is applied first to support the value of the weighted pupil unit as set by the Legislature for total weighted pupil units generated by the districts and those costs of Social Security and retirement, transportation, and board and voted leeway that occur as a result of the additional generated weighted pupil units, following internal adjustments by the state superintendent as provided in this section.

(b) The state contribution is decreased so the total school program cost for operation and maintenance programs does not exceed the total estimated contributions to school districts for all programs under Subsection 53A-17a-104(2) plus the amount of local revenue necessary to support the value of the weighted pupil unit for weighted pupil units generated and those costs of Social Security and retirement, transportation, and board and voted leeway that occur as a result of the additional generated weighted pupil units.

(7) As an exception to Section 63-38-8, the state fiscal officer may not close out appropriations from the Uniform School Fund at the end of a fiscal year.

Section 9. Section **53A-17a-127** is amended to read:

**53A-17a-127. Eligibility for state-supported transportation -- Approved bus routes -- Additional local tax.**

(1) A student eligible for state-supported transportation means:

(a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles from school;

(b) a student enrolled in grades seven through 12 who lives at least two miles from school; and

(c) a student enrolled in a special program offered by a school district and approved by the State Board of Education for trainable, motor, multiple-disabled, or other students with severe disabilities who are incapable of walking to school or where it is unsafe for students to walk because of their disabling condition, without reference to distance from school.

(2) If a school district implements double sessions as an alternative to new building construction, with the approval of the State Board of Education, those affected elementary school students residing less than 1-1/2 miles from school may be transported one way to or

from school because of safety factors relating to darkness or other hazardous conditions as determined by the local school board.

(3) (a) The State Office of Education shall distribute transportation monies to school districts based on three factors:

- (i) an allowance per mile for approved bus routes;
- (ii) an allowance per hour for approved bus routes; and
- (iii) an annual allowance for equipment and overhead costs based on approved bus routes and the age of the equipment.

(b) In order for a bus to be considered for the equipment allowance, it must meet federal and state regulations and standards for school buses.

(c) The State Office of Education shall annually review the allowance per mile, the allowance per hour, and the annual equipment and overhead allowance and adjust the allowance to reflect current economic conditions.

(4) (a) Approved bus routes for funding purposes shall be determined on fall data collected by October 1.

(b) Approved route funding shall be determined on the basis of the most efficient and economic routes.

(5) A Transportation Advisory Committee with representation from local school superintendents, business officials, school district transportation supervisors, and the State Office of Education shall serve as a review committee for addressing school transportation needs, including recommended approved bus routes.

(6) (a) A local school board may provide for the transportation of students who are not eligible under Subsection (1), regardless of the distance from school, from~~[-(i)]~~ general funds of the district~~[-and]~~.

~~[(ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.]~~

~~[(b) A local school board may use revenue from the tax to pay for transporting participating students to interscholastic activities, night activities, and educational field trips approved by the board and for the replacement of school buses.]~~

~~[(c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002, the]~~

(b) (i) The state may contribute an amount not to exceed 85% of the state average cost

per mile, contingent upon the Legislature appropriating funds for a state contribution.

(ii) The State Office of Education shall distribute the state contribution according to rules enacted by the State Board of Education.

~~[(d)]~~ (c) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsection (6)~~[(e)]~~(b) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.

(ii) Subsection (6)~~[(d)]~~(c)(i) applies for a period of two years following the change in the certified tax rate.

(7) There is appropriated for the fiscal year beginning July 1, 1999, \$225,000 to the state board as the state's contribution under Subsection (6)~~[(e)]~~(b)(i).

Section 10. Section **53A-17a-154** is enacted to read:

**53A-17a-154. Homeowner Protection Program -- Increase in the Uniform School Fund --Use of funds received by a school district -- Property tax offset.**

(1) The revenue deposited into the Uniform School Fund under Subsection 59-12-103(11) as part of the Homeowner Protection Program, shall be allocated to school districts based on a school district's total weighted pupil units compared to the total weighted pupil units for all districts in the state.

(2) The portion a school district receives of the revenue described in Subsection (1) shall be used by the school district to offset the school district's decreased certified tax rate as a result of the repeal of the school district's authority to levy property taxes as repealed or amended by the Legislature during the 2008 General Session:

(a) Section 11-2-7;

(b) Section 53A-16-107;

(c) Section 53A-16-110;

(d) Section 53A-16-111;

(e) Section 53A-17a-127;

(f) Section 53A-17a-133;

(g) Section 53A-17a-134;

(h) Section 53A-17a-143;

(i) Section 53A-17a-145;

(j) Section 53A-17a-151; and

(k) Section 63-30d-704.

(3) Any money allocated to a school district in accordance with this section not used to offset the property tax decrease described in Subsection (2) shall be used for the payment of bond interest, principal, and redemption premiums as required in Section 53A-18-107.

Section 11. Section **53A-18-107** is enacted to read:

**53A-18-107. Abatement of property taxes levied for debt service.**

If the bonding covenants allow, the direct annual tax imposed for bonds issued by a school district in accordance with the following shall be abated to the extent that money is available from sources other than ad valorem taxes for the payment of bond interest, principal, and redemption premiums:

(1) a bond issued under this chapter; or

(2) a bond issued under Title 11, Chapter 14, Local Government Bonding Act.

Section 12. Section **53A-21-103** is amended to read:

**53A-21-103. Qualifications for participation in the foundation program --  
Distribution of monies -- Distribution formulas.**

~~[(1) In order for a school district to qualify for monies under the Capital Outlay Foundation Program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service.]~~

~~[(2) The State Board of Education shall adopt rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, that: (a) allow a school district levying less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district, and (b) maintain a school district's funding under the Capital Outlay Foundation Program for up to two years if the school district's funding would otherwise be reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.]~~

~~[(3)]~~ The State Board of Education shall distribute monies in the Capital Outlay Foundation Program in accordance with a formula developed by the state superintendent of public instruction which guarantees that [a] an estimated tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service yields a minimum amount per pupil in average daily membership.

Section 13. Section **53A-21-104** is amended to read:

**53A-21-104. School Building Revolving Account -- Access to the account.**

(1) There is created a nonlapsing "School Building Revolving Account" administered within the Uniform School Fund by the state superintendent of public instruction in accordance with rules adopted by the State Board of Education.

(2) Monies received by a school district from the School Building Revolving Account may not exceed the district's bonding limit minus its outstanding bonds.

(3) In order to receive monies from the account, a school district must do the following:

~~[(a) levy a tax of at least .0024 for capital outlay and debt service;]~~

~~[(b)]~~ (a) contract with the state superintendent of public instruction to repay the monies, with interest at a rate established by the state superintendent, within five years of their receipt, using future state building monies or local revenues or both;

~~[(c)]~~ (b) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual loan repayments, unless the state superintendent of public instruction alters the payment schedule to improve a hardship situation; and

~~[(d)]~~ (c) meet any other condition established by the State Board of Education pertinent to the loan.

(4) (a) The state superintendent shall establish a committee, including representatives from state and local education entities, to:

(i) review requests by school districts for loans under this section; and

(ii) make recommendations regarding approval or disapproval of the loan applications to the state superintendent.

(b) If the committee recommends approval of a loan application under Subsection (4)(a)(ii), the committee's recommendation shall include:

(i) the recommended amount of the loan;

(ii) the payback schedule; and

(iii) the interest rate to be charged.

(5) (a) There is established within the School Building Revolving Account the Charter School Building Subaccount administered by the State Board of Education, in consultation with the State Charter School Board, in accordance with rules adopted by the State Board of

648 Education.

649 (b) The Charter School Building Subaccount shall consist of:

650 (i) money appropriated to the subaccount by the Legislature;

651 (ii) money received from the repayment of loans made from the subaccount; and

652 (iii) interest earned on monies in the subaccount.

653 (c) The state superintendent of public instruction shall make loans to charter schools

654 from the Charter School Building Subaccount to pay for the costs of:

655 (i) planning expenses;

656 (ii) constructing or renovating charter school buildings;

657 (iii) equipment and supplies; or

658 (iv) other start-up or expansion expenses.

659 (d) Loans to new charter schools or charter schools with urgent facility needs may be

660 given priority.

661 (6) (a) The State Board of Education shall establish a committee, which shall include

662 individuals who have expertise or experience in finance, real estate, and charter school

663 administration, one of whom shall be nominated by the governor to:

664 (i) review requests by charter schools for loans under this section; and

665 (ii) make recommendations regarding approval or disapproval of the loan applications

666 to the State Charter School Board and the State Board of Education.

667 (b) If the committee recommends approval of a loan application under Subsection

668 (6)(a)(ii), the committee's recommendation shall include:

669 (i) the recommended amount of the loan;

670 (ii) the payback schedule; and

671 (iii) the interest rate to be charged.

672 (c) The committee members may not:

673 (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or

674 (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person

675 or entity that contracts with a loan applicant.

676 (7) The State Board of Education, in consultation with the State Charter School Board,

677 shall approve all loans to charter schools under this section.

678 (8) Loans to charter schools under this section may not exceed a term of five years.

(9) The State Board of Education may not approve loans to charter schools under this section that exceed a total of \$2,000,000 in any year.

Section 14. Section **59-2-404** is amended to read:

**59-2-404. Uniform fee on aircraft -- Collection of fee by county -- Distribution of fees -- Rules to implement section.**

(1) There is levied in lieu of the ad valorem tax a uniform fee on aircraft required to be registered with the state in an amount equal to the following percent of the average wholesale market value of the aircraft as established by the commission:

(a) for aerial applicators as defined in Section 59-2-102 as follows:

Calendar Year	Uniform Fee
2000	0.4%
2001	0.3%
2002 and all subsequent years	0.2%; and

(b) for all other aircraft required to be registered with the state as follows:

Calendar Year	Uniform Fee
2000	0.8%
2001	0.6%
2002 and all subsequent years	0.4%.

(2) The uniform fee shall be collected by the counties with the registration fee and distributed ~~[to the taxing districts in accordance with Article XIII, Sec. 14, Utah Constitution]~~ in accordance with Subsection (3).

(3) (a) Forty-five percent of the uniform fees received by a county under Subsection (2) shall be distributed to each taxing entity within the county that is not a school district in the same proportion in which revenues collected from ad valorem property tax are distributed.

(b) Each taxing entity described in Subsection (3)(a) that receives revenues from the uniform fees imposed by this section shall distribute the revenues in the same proportion in which revenues collected from the ad valorem property tax are distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform fee shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of the October 1 enrollment counts.

710           ~~[(3)]~~ (4) The commission shall promulgate rules to implement this section.

711           Section 15. Section **59-2-405** is amended to read:

712           **59-2-405. Uniform fee on tangible personal property required to be registered**  
713 **with the state -- Distribution of revenues -- Appeals.**

714           (1) The property described in Subsection (2), except Subsections (2)(b)(ii) and (iii), is  
715 exempt from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,  
716 Subsection (6).

717           (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a  
718 statewide uniform fee in lieu of the ad valorem tax on:

719           (i) motor vehicles required to be registered with the state that weigh 12,001 pounds or  
720 more;

721           (ii) motorcycles as defined in Section 41-1a-102 that are required to be registered with  
722 the state;

723           (iii) watercraft required to be registered with the state;

724           (iv) recreational vehicles required to be registered with the state; and

725           (v) all other tangible personal property required to be registered with the state before it  
726 is used on a public highway, on a public waterway, on public land, or in the air.

727           (b) The following tangible personal property is exempt from the statewide uniform fee  
728 imposed by this section:

729           (i) aircraft;

730           (ii) vintage vehicles as defined in Section 41-21-1;

731           (iii) state-assessed commercial vehicles;

732           (iv) tangible personal property subject to a uniform fee imposed by:

733           (A) Section 59-2-405.1;

734           (B) Section 59-2-405.2; or

735           (C) Section 59-2-405.3; and

736           (v) personal property that is exempt from state or county ad valorem property taxes  
737 under the laws of this state or of the federal government.

738           (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of  
739 the personal property, as established by the commission.

740           (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is



brought into the state and is required to be registered in Utah shall, as a condition of registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by the state of origin have been paid for the current calendar year.

(5) (a) ~~[The]~~ Forty-five percent of the revenues collected in ~~[each]~~ a county from the uniform fee shall be distributed by the county to each taxing entity that is not a school district in which the property described in Subsection (2) is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

(b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues received under Subsection (5)(a) in the same proportion in which revenue collected from ad valorem real property tax is distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform fee shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of the October 1 enrollment counts.

(6) An appeal relating to the uniform fee imposed on the tangible personal property described in Subsection (2) shall be filed pursuant to Section 59-2-1005.

Section 16. Section **59-2-405.1** is amended to read:

**59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less -- Distribution of revenues -- Appeals.**

(1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2, Subsection (6).

(2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a statewide uniform fee in lieu of the ad valorem tax on:

(i) motor vehicles as defined in Section 41-1a-102 that:

(A) are required to be registered with the state; and

(B) weigh 12,000 pounds or less; and

(ii) state-assessed commercial vehicles required to be registered with the state that weigh 12,000 pounds or less.

(b) The following tangible personal property is exempt from the statewide uniform fee imposed by this section:

772 (i) aircraft;  
 773 (ii) vintage vehicles as defined in Section 41-21-1;  
 774 (iii) tangible personal property subject to a uniform fee imposed by:  
 775 (A) Section 59-2-405;  
 776 (B) Section 59-2-405.2; or  
 777 (C) Section 59-2-405.3; and  
 778 (iv) tangible personal property that is exempt from state or county ad valorem property  
 779 taxes under the laws of this state or of the federal government.

780 (3) (a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999,  
 781 the uniform fee for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$10
9 or more years but less than 12 years	\$50
6 or more years but less than 9 years	\$80
3 or more years but less than 6 years	\$110
Less than 3 years	\$150

788 (b) For registrations under Section 41-1a-215.5, beginning on January 1, 2007, the  
 789 uniform fee for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$5
9 or more years but less than 12 years	\$25
6 or more years but less than 9 years	\$40
3 or more years but less than 6 years	\$55
Less than 3 years	\$75

796 (c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a  
 797 motor vehicle issued a temporary sports event registration certificate in accordance with  
 798 Section 41-3-306, the uniform fee for purposes of this section is \$5 for the event period  
 799 specified on the temporary sports event registration certificate regardless of the age of the  
 800 motor vehicle.

801 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is  
 802 brought into the state and is required to be registered in Utah shall, as a condition of

registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by the state of origin have been paid for the current calendar year.

(5) (a) ~~[The]~~ Forty-five percent of the revenues collected in ~~[each]~~ a county from the uniform fee shall be distributed by the county to each taxing entity that is not a school district in which the property described in Subsection (2) is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

(b) ~~[Each]~~ A taxing entity that is not a school district shall distribute the revenues received under Subsection (5)(a) in the same proportion in which revenue collected from ad valorem real property tax is distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform fee shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of the October 1 enrollment counts.

Section 17. Section **59-2-405.2** is amended to read:

**59-2-405.2. Definitions -- Uniform statewide fee on certain tangible personal property -- Distribution of revenues -- Rulemaking authority -- Determining the length of a vessel.**

(1) As used in this section:

(a) (i) Except as provided in Subsection (1)(a)(ii), "all-terrain vehicle" means a motor vehicle that:

(A) is an:

(I) all-terrain type I vehicle as defined in Section 41-22-2; or

(II) all-terrain type II vehicle as defined in Section 41-22-2;

(B) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway Vehicles; and

(C) has:

(I) an engine with more than 150 cubic centimeters displacement;

(II) a motor that produces more than five horsepower; or

(III) an electric motor; and

(ii) notwithstanding Subsection (1)(a)(i), "all-terrain vehicle" does not include a snowmobile.

834 (b) "Camper" means a camper:  
835 (i) as defined in Section 41-1a-102; and  
836 (ii) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
837 Registration.

838 (c) (i) "Canoe" means a vessel that:  
839 (A) is long and narrow;  
840 (B) has curved sides; and  
841 (C) is tapered:  
842 (I) to two pointed ends; or  
843 (II) to one pointed end and is blunt on the other end; and  
844 (ii) "canoe" includes:  
845 (A) a collapsible inflatable canoe;  
846 (B) a kayak;  
847 (C) a racing shell; or  
848 (D) a rowing scull.

849 (d) "Dealer" is as defined in Section 41-1a-102.

850 (e) "Jon boat" means a vessel that:  
851 (i) has a square bow; and  
852 (ii) has a flat bottom.

853 (f) "Motor vehicle" is as defined in Section 41-22-2.

854 (g) "Other motorcycle" means a motor vehicle that:  
855 (i) is:  
856 (A) a motorcycle as defined in Section 41-1a-102; and  
857 (B) designed primarily for use and operation over unimproved terrain;  
858 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
859 Registration; and

860 (iii) has:  
861 (A) an engine with more than 150 cubic centimeters displacement; or  
862 (B) a motor that produces more than five horsepower.

863 (h) (i) "Other trailer" means a portable vehicle without motive power that is primarily  
864 used:

865 (A) to transport tangible personal property; and  
866 (B) for a purpose other than a commercial purpose; and  
867 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for  
868 purposes of Subsection (1)(h)(i)(B), the commission may by rule define what constitutes a  
869 purpose other than a commercial purpose.

870 (i) "Outboard motor" is as defined in Section 41-1a-102.  
871 (j) "Personal watercraft" means a personal watercraft:  
872 (i) as defined in Section 73-18-2; and  
873 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State  
874 Boating Act.

875 (k) (i) "Pontoon" means a vessel that:  
876 (A) is:  
877 (I) supported by one or more floats; and  
878 (II) propelled by either inboard or outboard power; and  
879 (B) is not:  
880 (I) a houseboat; or  
881 (II) a collapsible inflatable vessel; and  
882 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
883 commission may by rule define the term "houseboat".

884 (l) "Qualifying adjustment, exemption, or reduction" means an adjustment, exemption,  
885 or reduction:  
886 (i) of all or a portion of a qualifying payment;  
887 (ii) granted by a county during the refund period; and  
888 (iii) received by a qualifying person.

889 (m) (i) "Qualifying payment" means the payment made:  
890 (A) of a uniform statewide fee in accordance with this section:  
891 (I) by a qualifying person;  
892 (II) to a county; and  
893 (III) during the refund period; and  
894 (B) on an item of qualifying tangible personal property; and  
895 (ii) if a qualifying person received a qualifying adjustment, exemption, or reduction for

896 an item of qualifying tangible personal property, the qualifying payment for that qualifying  
897 tangible personal property is equal to the difference between:

898 (A) the payment described in this Subsection (1)(m) for that item of qualifying tangible  
899 personal property; and

900 (B) the amount of the qualifying adjustment, exemption, or reduction.

901 (n) "Qualifying person" means a person that paid a uniform statewide fee:

902 (i) during the refund period;

903 (ii) in accordance with this section; and

904 (iii) on an item of qualifying tangible personal property.

905 (o) "Qualifying tangible personal property" means a:

906 (i) qualifying vehicle; or

907 (ii) qualifying watercraft.

908 (p) "Qualifying vehicle" means:

909 (i) an all-terrain vehicle with an engine displacement that is 100 or more cubic  
910 centimeters but 150 or less cubic centimeters;

911 (ii) an other motorcycle with an engine displacement that is 100 or more cubic  
912 centimeters but 150 or less cubic centimeters;

913 (iii) a small motor vehicle with an engine displacement that is 100 or more cubic  
914 centimeters but 150 or less cubic centimeters;

915 (iv) a snowmobile with an engine displacement that is 100 or more cubic centimeters  
916 but 150 or less cubic centimeters; or

917 (v) a street motorcycle with an engine displacement that is 100 or more cubic  
918 centimeters but 150 or less cubic centimeters.

919 (q) "Qualifying watercraft" means a:

920 (i) canoe;

921 (ii) collapsible inflatable vessel;

922 (iii) jon boat;

923 (iv) pontoon;

924 (v) sailboat; or

925 (vi) utility boat.

926 (r) "Refund period" means the time period:

- 927 (i) beginning on January 1, 2006; and  
928 (ii) ending on December 29, 2006.
- 929 (s) "Sailboat" means a sailboat as defined in Section 73-18-2.
- 930 (t) (i) "Small motor vehicle" means a motor vehicle that:  
931 (A) is required to be registered in accordance with Title 41, Motor Vehicles; and  
932 (B) has:  
933 (I) an engine with 150 or less cubic centimeters displacement; or  
934 (II) a motor that produces five or less horsepower; and  
935 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
936 commission may by rule develop a process for an owner of a motor vehicle to certify whether  
937 the motor vehicle has:  
938 (A) an engine with 150 or less cubic centimeters displacement; or  
939 (B) a motor that produces five or less horsepower.
- 940 (u) "Snowmobile" means a motor vehicle that:  
941 (i) is a snowmobile as defined in Section 41-22-2;  
942 (ii) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway  
943 Vehicles; and  
944 (iii) has:  
945 (A) an engine with more than 150 cubic centimeters displacement; or  
946 (B) a motor that produces more than five horsepower.
- 947 (v) "Street motorcycle" means a motor vehicle that:  
948 (i) is:  
949 (A) a motorcycle as defined in Section 41-1a-102; and  
950 (B) designed primarily for use and operation on highways;  
951 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
952 Registration; and  
953 (iii) has:  
954 (A) an engine with more than 150 cubic centimeters displacement; or  
955 (B) a motor that produces more than five horsepower.
- 956 (w) "Tangible personal property owner" means a person that owns an item of  
957 qualifying tangible personal property.

958 (x) "Tent trailer" means a portable vehicle without motive power that:  
959 (i) is constructed with collapsible side walls that:  
960 (A) fold for towing by a motor vehicle; and  
961 (B) unfold at a campsite;  
962 (ii) is designed as a temporary dwelling for travel, recreational, or vacation use;  
963 (iii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
964 Registration; and  
965 (iv) does not require a special highway movement permit when drawn by a  
966 self-propelled motor vehicle.  
967 (y) (i) Except as provided in Subsection (1)(y)(ii), "travel trailer" means a travel trailer:  
968 (A) as defined in Section 41-1a-102; and  
969 (B) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,  
970 Registration; and  
971 (ii) notwithstanding Subsection (1)(y)(i), "travel trailer" does not include:  
972 (A) a camper; or  
973 (B) a tent trailer.  
974 (z) (i) "Utility boat" means a vessel that:  
975 (A) has:  
976 (I) two or three bench seating;  
977 (II) an outboard motor; and  
978 (III) a hull made of aluminum, fiberglass, or wood; and  
979 (B) does not have:  
980 (I) decking;  
981 (II) a permanent canopy; or  
982 (III) a floor other than the hull; and  
983 (ii) notwithstanding Subsection (1)(z)(i), "utility boat" does not include a collapsible  
984 inflatable vessel.  
985 (aa) "Vessel" means a vessel:  
986 (i) as defined in Section 73-18-2, including an outboard motor of the vessel; and  
987 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State  
988 Boating Act.



(2) (a) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6), beginning on January 1, 2006, the tangible personal property described in Subsection (2)(b) is:

(i) exempt from the tax imposed by Section 59-2-103; and

(ii) in lieu of the tax imposed by Section 59-2-103, subject to uniform statewide fees as provided in this section.

(b) The following tangible personal property applies to Subsection (2)(a) if that tangible personal property is required to be registered with the state:

(i) an all-terrain vehicle;

(ii) a camper;

(iii) an other motorcycle;

(iv) an other trailer;

(v) a personal watercraft;

(vi) a small motor vehicle;

(vii) a snowmobile;

(viii) a street motorcycle;

(ix) a tent trailer;

(x) a travel trailer; and

(xi) a vessel if that vessel is less than 31 feet in length as determined under Subsection (6).

(3) For purposes of this section, the uniform statewide fees are:

(a) for an all-terrain vehicle, an other motorcycle, or a snowmobile:

Age of All-Terrain Vehicle, Other Motorcycle, or Snowmobile	Uniform Statewide Fee
12 or more years	\$10
9 or more years but less than 12 years	\$20
6 or more years but less than 9 years	\$30
3 or more years but less than 6 years	\$35
Less than 3 years	\$45

(b) for a camper or a tent trailer:

Age of Camper or Tent Trailer	Uniform Statewide Fee
12 or more years	\$10
9 or more years but less than 12 years	\$25

1020	6 or more years but less than 9 years	\$35
1021	3 or more years but less than 6 years	\$50
1022	Less than 3 years	\$70
1023	(c) for an other trailer:	
1024	Age of Other Trailer	Uniform Statewide Fee
1025	12 or more years	\$10
1026	9 or more years but less than 12 years	\$15
1027	6 or more years but less than 9 years	\$20
1028	3 or more years but less than 6 years	\$25
1029	Less than 3 years	\$30
1030	(d) for a personal watercraft:	
1031	Age of Personal Watercraft	Uniform Statewide Fee
1032	12 or more years	\$10
1033	9 or more years but less than 12 years	\$25
1034	6 or more years but less than 9 years	\$35
1035	3 or more years but less than 6 years	\$45
1036	Less than 3 years	\$55
1037	(e) for a small motor vehicle:	
1038	Age of Small Motor Vehicle	Uniform Statewide Fee
1039	6 or more years	\$10
1040	3 or more years but less than 6 years	\$15
1041	Less than 3 years	\$25
1042	(f) for a street motorcycle:	
1043	Age of Street Motorcycle	Uniform Statewide Fee
1044	12 or more years	\$10
1045	9 or more years but less than 12 years	\$35
1046	6 or more years but less than 9 years	\$50
1047	3 or more years but less than 6 years	\$70
1048	Less than 3 years	\$95
1049	(g) for a travel trailer:	
1050	Age of Travel Trailer	Uniform Statewide Fee

1051	12 or more years	\$20
1052	9 or more years but less than 12 years	\$65
1053	6 or more years but less than 9 years	\$90
1054	3 or more years but less than 6 years	\$135
1055	Less than 3 years	\$175

1056 (h) \$10 regardless of the age of the vessel if the vessel is:

1057 (i) less than 15 feet in length;

1058 (ii) a canoe;

1059 (iii) a jon boat; or

1060 (iv) a utility boat;

1061 (i) for a collapsible inflatable vessel, pontoon, or sailboat, regardless of age:

1062	Length of Vessel	Uniform Statewide Fee
1063	15 feet or more in length but less than 19 feet in length	\$15
1064	19 feet or more in length but less than 23 feet in length	\$25
1065	23 feet or more in length but less than 27 feet in length	\$40
1066	27 feet or more in length but less than 31 feet in length	\$75

1067 (j) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1068 sailboat, or utility boat, that is 15 feet or more in length but less than 19 feet in length:

1069	Age of Vessel	Uniform Statewide Fee
1070	12 or more years	\$25
1071	9 or more years but less than 12 years	\$65
1072	6 or more years but less than 9 years	\$80
1073	3 or more years but less than 6 years	\$110
1074	Less than 3 years	\$150

1075 (k) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1076 sailboat, or utility boat, that is 19 feet or more in length but less than 23 feet in length:

1077	Age of Vessel	Uniform Statewide Fee
1078	12 or more years	\$50
1079	9 or more years but less than 12 years	\$120
1080	6 or more years but less than 9 years	\$175
1081	3 or more years but less than 6 years	\$220

1082 Less than 3 years \$275

1083 (l) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1084 sailboat, or utility boat, that is 23 feet or more in length but less than 27 feet in length:

1085 Age of Vessel Uniform Statewide Fee

1086 12 or more years \$100

1087 9 or more years but less than 12 years \$180

1088 6 or more years but less than 9 years \$240

1089 3 or more years but less than 6 years \$310

1090 Less than 3 years \$400

1091 (m) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,  
1092 sailboat, or utility boat, that is 27 feet or more in length but less than 31 feet in length:

1093 Age of Vessel Uniform Statewide Fee

1094 12 or more years \$120

1095 9 or more years but less than 12 years \$250

1096 6 or more years but less than 9 years \$350

1097 3 or more years but less than 6 years \$500

1098 Less than 3 years \$700

1099 (4) Notwithstanding Section 59-2-407, tangible personal property subject to the  
1100 uniform statewide fees imposed by this section that is brought into the state shall, as a  
1101 condition of registration, be subject to the uniform statewide fees unless all property taxes or  
1102 uniform fees imposed by the state of origin have been paid for the current calendar year.

1103 (5) (a) ~~[The]~~ Forty-five percent of the revenues collected in ~~[each]~~ a county from the  
1104 uniform statewide fees imposed by this section shall be distributed by the county to each taxing  
1105 entity that is not a school district in which each item of tangible personal property subject to the  
1106 uniform statewide fees is located in the same proportion in which revenues collected from the  
1107 ad valorem property tax are distributed.

1108 (b) ~~[Each]~~ A taxing entity described in Subsection (5)(a) that receives revenues from  
1109 the uniform statewide fees imposed by this section shall distribute the revenues in the same  
1110 proportion in which revenues collected from the ad valorem property tax are distributed.

1111 (c) Fifty-five percent of the revenues collected in a county from the uniform statewide  
1112 fees imposed by this section shall be distributed by the county to each school district within the

county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of the October 1 enrollment counts.

(6) (a) For purposes of the uniform statewide fee imposed by this section, the length of a vessel shall be determined as provided in this Subsection (6).

(b) (i) Except as provided in Subsection (6)(b)(ii), the length of a vessel shall be measured as follows:

(A) the length of a vessel shall be measured in a straight line; and

(B) the length of a vessel is equal to the distance between the bow of the vessel and the stern of the vessel.

(ii) Notwithstanding Subsection (6)(b)(i), the length of a vessel may not include the length of:

(A) a swim deck;

(B) a ladder;

(C) an outboard motor; or

(D) an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C) as determined by the commission by rule.

(iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule define what constitutes an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C).

(c) The length of a vessel:

(i) (A) for a new vessel, is the length:

(I) listed on the manufacturer's statement of origin if the length of the vessel measured under Subsection (6)(b) is equal to the length of the vessel listed on the manufacturer's statement of origin; or

(II) listed on a form submitted to the commission by a dealer in accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to the length of the vessel listed on the manufacturer's statement of origin; or

(B) for a vessel other than a new vessel, is the length:

(I) corresponding to the model number if the length of the vessel measured under Subsection (6)(b) is equal to the length of the vessel determined by reference to the model number; or

1144 (II) listed on a form submitted to the commission by an owner of the vessel in  
1145 accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b)  
1146 is not equal to the length of the vessel determined by reference to the model number; and  
1147 (ii) (A) is determined at the time of the:  
1148 (I) first registration as defined in Section 41-1a-102 that occurs on or after January 1,  
1149 2006; or  
1150 (II) first renewal of registration that occurs on or after January 1, 2006; and  
1151 (B) may be determined after the time described in Subsection (6)(c)(ii)(A) only if the  
1152 commission requests that a dealer or an owner submit a form to the commission in accordance  
1153 with Subsection (6)(d).  
1154 (d) (i) A form under Subsection (6)(c) shall:  
1155 (A) be developed by the commission;  
1156 (B) be provided by the commission to:  
1157 (I) a dealer; or  
1158 (II) an owner of a vessel;  
1159 (C) provide for the reporting of the length of a vessel;  
1160 (D) be submitted to the commission at the time the length of the vessel is determined in  
1161 accordance with Subsection (6)(c)(ii);  
1162 (E) be signed by:  
1163 (I) if the form is submitted by a dealer, that dealer; or  
1164 (II) if the form is submitted by an owner of the vessel, an owner of the vessel; and  
1165 (F) include a certification that the information set forth in the form is true.  
1166 (ii) A certification made under Subsection (6)(d)(i)(F) is considered as if made under  
1167 oath and subject to the same penalties as provided by law for perjury.  
1168 (iii) (A) A dealer or an owner that submits a form to the commission under Subsection  
1169 (6)(c) is considered to have given the dealer's or owner's consent to an audit or review by:  
1170 (I) the commission;  
1171 (II) the county assessor; or  
1172 (III) the commission and the county assessor.  
1173 (B) The consent described in Subsection (6)(d)(iii)(A) is a condition to the acceptance  
1174 of any form.

1175 (7) (a) A county that collected a qualifying payment from a qualifying person during  
1176 the refund period shall issue a refund to the qualifying person as described in Subsection (7)(b)  
1177 if:

1178 (i) the difference described in Subsection (7)(b) is \$1 or more; and  
1179 (ii) the qualifying person submitted a form in accordance with Subsections (7)(c) and  
1180 (d).

1181 (b) The refund amount shall be calculated as follows:

1182 (i) for a qualifying vehicle, the refund amount is equal to the difference between:

1183 (A) the qualifying payment the qualifying person paid on the qualifying vehicle during  
1184 the refund period; and

1185 (B) the amount of the statewide uniform fee:

1186 (I) for that qualifying vehicle; and

1187 (II) that the qualifying person would have been required to pay:

1188 (Aa) during the refund period; and

1189 (Bb) in accordance with this section had [~~Section 1, Chapter 3,~~] Laws of Utah 2006,  
1190 Fifth Special Session, Chapter 3, Section 1, been in effect during the refund period; and

1191 (ii) for a qualifying watercraft, the refund amount is equal to the difference between:

1192 (A) the qualifying payment the qualifying person paid on the qualifying watercraft  
1193 during the refund period; and

1194 (B) the amount of the statewide uniform fee:

1195 (I) for that qualifying watercraft;

1196 (II) that the qualifying person would have been required to pay:

1197 (Aa) during the refund period; and

1198 (Bb) in accordance with this section had [~~Section 1, Chapter 3,~~] Laws of Utah 2006,  
1199 Fifth Special Session, Section 1, Chapter 3, been in effect during the refund period.

1200 (c) Before the county issues a refund to the qualifying person in accordance with  
1201 Subsection (7)(a) the qualifying person shall submit a form to the county to verify the  
1202 qualifying person is entitled to the refund.

1203 (d) (i) A form under Subsection (7)(c) or (8) shall:

1204 (A) be developed by the commission;

1205 (B) be provided by the commission to the counties;

1206 (C) be provided by the county to the qualifying person or tangible personal property  
1207 owner;

1208 (D) provide for the reporting of the following:

1209 (I) for a qualifying vehicle:

1210 (Aa) the type of qualifying vehicle; and

1211 (Bb) the amount of cubic centimeters displacement;

1212 (II) for a qualifying watercraft:

1213 (Aa) the length of the qualifying watercraft;

1214 (Bb) the age of the qualifying watercraft; and

1215 (Cc) the type of qualifying watercraft;

1216 (E) be signed by the qualifying person or tangible personal property owner; and

1217 (F) include a certification that the information set forth in the form is true.

1218 (ii) A certification made under Subsection (7)(d)(i)(F) is considered as if made under  
1219 oath and subject to the same penalties as provided by law for perjury.

1220 (iii) (A) A qualifying person or tangible personal property owner that submits a form to  
1221 a county under Subsection (7)(c) or (8) is considered to have given the qualifying person's  
1222 consent to an audit or review by:

1223 (I) the commission;

1224 (II) the county assessor; or

1225 (III) the commission and the county assessor.

1226 (B) The consent described in Subsection (7)(d)(iii)(A) is a condition to the acceptance  
1227 of any form.

1228 (e) The county shall make changes to the commission's records with the information  
1229 received by the county from the form submitted in accordance with Subsection (7)(c).

1230 (8) A county shall change its records regarding an item of qualifying tangible personal  
1231 property if the tangible personal property owner submits a form to the county in accordance  
1232 with Subsection (7)(d).

1233 (9) (a) For purposes of this Subsection (9) "owner of tangible personal property" means  
1234 a person that was required to pay a uniform statewide fee:

1235 (i) during the refund period;

1236 (ii) in accordance with this section; and



(iii) on an item of tangible personal property subject to the uniform statewide fees imposed by this section.

(b) A county that collected revenues from uniform statewide fees imposed by this section during the refund period shall notify an owner of tangible personal property:

(i) of the tangible personal property classification changes made to this section pursuant to [~~Section 1, Chapter 3,~~] Laws of Utah 2006, Fifth Special Session, Section 1, Chapter 3;

(ii) that the owner of tangible personal property may obtain and file a form to modify the county's records regarding the owner's tangible personal property; and

(iii) that the owner may be entitled to a refund pursuant to Subsection (7).

Section 18. Section **59-2-405.3** is amended to read:

**59-2-405.3. Uniform statewide fee on motor homes -- Distribution of revenues.**

(1) For purposes of this section, "motor home" means:

(a) a motor home, as defined in Section 13-14-102, that is required to be registered with the state; or

(b) a self-propelled vehicle that is:

(i) modified for primary use as a temporary dwelling for travel, recreational, or vacation use; and

(ii) required to be registered with the state.

(2) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6), beginning on January 1, 2006, a motor home is:

(a) exempt from the tax imposed by Section 59-2-103; and

(b) in lieu of the tax imposed by Section 59-2-103, subject to a uniform statewide fee as provided in Subsection (3).

(3) The uniform statewide fee described in Subsection (2)(b) is:

(a) beginning on January 1, 2006, and ending December 31, 2007, 1.25% of the fair market value of the motor home, as established by the commission; and

(b) beginning on January 1, 2008, 1% of the fair market value of the motor home, as established by the commission.

(4) Notwithstanding Section 59-2-407, a motor home subject to the uniform statewide fee imposed by this section that is brought into the state shall, as a condition of registration, be

subject to the uniform statewide fee unless all property taxes or uniform fees imposed by the state of origin have been paid for the current calendar year.

(5) (a) ~~[Each]~~ A county shall distribute 45% of the revenue collected by the county from the uniform statewide fee imposed by this section to each taxing entity that is not a school district in which each motor home subject to the uniform statewide fee is located in the same proportion in which revenue collected from the ad valorem property tax is distributed.

(b) ~~[Each]~~ A taxing entity described in Subsection (5)(a) that receives revenue from the uniform statewide fee imposed by this section shall distribute the revenue in the same proportion in which revenue collected from the ad valorem property tax is distributed.

(c) Fifty-five percent of the revenues collected in a county from the uniform statewide fee imposed by this section shall be distributed by the county to each school district within the county in proportion to the school district's percentage of the total current year enrollment in all of the school districts within the county, as of the October 1 enrollment counts.

(6) An appeal relating to the uniform statewide fee imposed on a motor home by this section shall be filed pursuant to Section 59-2-1005.

Section 19. Section **59-2-919** is amended to read:

**59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of personal mailed notice -- Hearing -- Dates.**

A tax rate in excess of the certified tax rate may not be levied until a resolution has been approved by the taxing entity in accordance with the following procedure:

(1) (a) (i) The taxing entity shall advertise its intent to exceed the certified tax rate in a newspaper or combination of newspapers of general circulation in the taxing entity.

(ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the advertisement or hearing requirements of this section if:

(A) the taxing entity:

(I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

or

(II) is expressly exempted by law from complying with the requirements of this section; or

(B) (I) the taxing entity is a party to an interlocal agreement under Title 11, Chapter 13,

1299 Interlocal Cooperation Act, that creates an interlocal entity to provide fire protection,  
1300 emergency, and emergency medical services;

1301 (II) the tax rate increase is approved by the taxing entity's voters at an election held for  
1302 that purpose on or before December 31, 2010;

1303 (III) the purpose of the tax rate increase is to pay for fire protection, emergency, and  
1304 emergency medical services provided by the interlocal entity; and

1305 (IV) at least 30 days before its annual budget hearing, the taxing entity:

1306 (Aa) adopts a resolution certifying that the taxing entity will dedicate all revenue from  
1307 the tax rate increase exclusively to pay for fire protection, emergency, and emergency medical  
1308 services provided by the interlocal entity and that the amount of other revenues, independent of  
1309 the revenue generated from the tax rate increase, that the taxing entity spends for fire  
1310 protection, emergency, and emergency medical services each year after the tax rate increase  
1311 will not decrease below the amount spent by the taxing entity during the year immediately  
1312 before the tax rate increase without a corresponding decrease in the taxing entity's property tax  
1313 revenues used in calculating the taxing entity's certified tax rate; and

1314 (Bb) sends a copy of the resolution to the commission.

1315 (iii) The exception under Subsection (1)(a)(ii)(B) from the advertisement and hearing  
1316 requirements of this section does not apply to an increase in a taxing entity's tax rate that occurs  
1317 after December 31, 2010, even if the tax rate increase is approved by the taxing entity's voters  
1318 before that date.

1319 ~~[(iv) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the~~  
1320 ~~advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to~~  
1321 ~~levy a tax rate that exceeds that certified tax rate without having to comply with the~~  
1322 ~~advertisement requirements of this section.]~~

1323 (b) The advertisement described in this section shall:

1324 (i) be no less than 1/4 page in size;

1325 (ii) use type no smaller than 18 point; and

1326 (iii) be surrounded by a 1/4-inch border.

1327 (c) The advertisement described in this section may not be placed in that portion of the  
1328 newspaper where legal notices and classified advertisements appear.

1329 (d) It is the intent of the Legislature that:

(i) whenever possible, the advertisement described in this section appear in a newspaper that is published at least one day per week; and

(ii) the newspaper or combination of newspapers selected:

(A) be of general interest and readership in the taxing entity; and

(B) not be of limited subject matter.

(e) The advertisement described in this section shall:

(i) be run once each week for the two weeks preceding the adoption of the final budget; and

(ii) state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be not less than seven days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase.

(f) The meeting on the proposed increase may coincide with the hearing on the proposed budget of the taxing entity.

(2) The form and content of the notice shall be substantially as follows:

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

The (name of the taxing entity) is proposing to increase its property tax revenue.

● If the proposed budget is approved, this would be an increase of \_\_\_\_\_% above the (name of the taxing entity) property tax budgeted revenue for the prior year.

● The (name of the taxing entity) tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

● The (name of the taxing entity) tax on a (insert the value of a business having the same value as the average value of a residence in the taxing entity) business would increase from \$\_\_\_\_\_ to \$\_\_\_\_\_, which is \$\_\_\_\_\_ per year.

(Name of taxing entity) property tax revenue from new growth and other sources will increase from \$\_\_\_\_\_ to \$\_\_\_\_\_.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: (date) (time)

1361 Location: (name of meeting place and address of meeting place)  
1362 To obtain more information regarding the tax increase, citizens may contact the (name  
1363 of the taxing entity) at (phone number of taxing entity)."  
1364 (3) The commission:  
1365 (a) shall adopt rules governing the joint use of one advertisement under this section or  
1366 Section 59-2-918 by two or more taxing entities; and  
1367 (b) may, upon petition by any taxing entity, authorize either:  
1368 (i) the use of weekly newspapers in counties having both daily and weekly newspapers  
1369 where the weekly newspaper would provide equal or greater notice to the taxpayer; or  
1370 (ii) the use of a commission-approved direct notice to each taxpayer if the:  
1371 (A) cost of the advertisement would cause undue hardship; and  
1372 (B) direct notice is different and separate from that provided for in Subsection (4).  
1373 (4) (a) In addition to providing the notice required by Subsections (1) and (2), the  
1374 county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real  
1375 estate as defined in Section 59-2-102 who is listed on the assessment roll.  
1376 (b) The notice described in Subsection (4)(a) shall:  
1377 (i) be sent to all owners of real property by mail not less than ten days before the day  
1378 on which:  
1379 (A) the county board of equalization meets; and  
1380 (B) the taxing entity holds a public hearing on the proposed increase in the certified tax  
1381 rate;  
1382 (ii) be printed on a form that is:  
1383 (A) approved by the commission; and  
1384 (B) uniform in content in all counties in the state; and  
1385 (iii) contain for each property:  
1386 (A) the value of the property;  
1387 (B) the date the county board of equalization will meet to hear complaints on the  
1388 valuation;  
1389 (C) itemized tax information for all taxing entities, including a separate statement for  
1390 the minimum school levy under Section 53A-17a-135 stating:  
1391 (I) the dollar amount the taxpayer would have paid based on last year's rate; and

1392 (II) the amount of the taxpayer's liability under the current rate;  
1393 (D) the tax impact on the property;  
1394 (E) the time and place of the required public hearing for each entity;  
1395 (F) property tax information pertaining to:  
1396 (I) taxpayer relief;  
1397 (II) options for payment of taxes; and  
1398 (III) collection procedures;  
1399 (G) information specifically authorized to be included on the notice under Title 59,  
1400 Chapter 2, Property Tax Act; and  
1401 (H) other property tax information approved by the commission.  
1402 (5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt  
1403 a resolution levying a tax rate in excess of the certified tax rate.  
1404 (b) If a resolution adopting a tax rate is not adopted on the day of the public hearing,  
1405 the scheduled time and place for consideration and adoption of the resolution shall be  
1406 announced at the public hearing.  
1407 (c) If a resolution adopting a tax rate is to be considered at a day and time that is more  
1408 than two weeks after the public hearing described in Subsection (4)(b)(iii)(E), a taxing entity,  
1409 other than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the  
1410 proposed adoption of the resolution in the same manner as provided under Subsections (1) and  
1411 (2).  
1412 (6) (a) All hearings described in this section shall be open to the public.  
1413 (b) The governing body of a taxing entity conducting a hearing shall permit all  
1414 interested parties desiring to be heard an opportunity to present oral testimony within  
1415 reasonable time limits.  
1416 (7) (a) Each taxing entity shall notify the county legislative body by March 1 of each  
1417 year of the date, time, and place a public hearing is held by the taxing entity pursuant to this  
1418 section.  
1419 (b) A taxing entity may not schedule a hearing described in this section at the same  
1420 time as another overlapping taxing entity in the same county, but all taxing entities in which the  
1421 power to set tax levies is vested in the same governing board or authority may consolidate the  
1422 required hearings into one hearing.

1423 (c) The county legislative body shall resolve any conflicts in hearing dates and times  
1424 after consultation with each affected taxing entity.

1425 (8) A taxing entity shall hold a public hearing under this section beginning at or after 6  
1426 p.m.

1427 Section 20. Section **59-2-919.1** is enacted to read:

1428 **59-2-919.1. Property tax increases prohibited.**

1429 (1) For purposes of this section:

1430 (a) "Calendar year taxing entity" means a taxing entity that operates under a January 1  
1431 through December 31 fiscal year.

1432 (b) "Certified tax rate" means a taxing entity's certified tax rate calculated in  
1433 accordance with Section 59-2-924.

1434 (c) "Fiscal year taxing entity" means a taxing entity that operates under a July 1  
1435 through June 30 fiscal year.

1436 (2) For taxable years beginning on or after January 1, 2008, and ending on or before  
1437 December 31, 2010, a fiscal year taxing entity may not levy a tax rate that exceeds the fiscal  
1438 year taxing entity's certified tax rate.

1439 (3) For taxable years beginning on or after January 1, 2009, and ending on or before  
1440 December 31, 2011, a calendar year taxing entity may not levy a tax rate that exceeds the  
1441 calendar year taxing entity's certified tax rate.

1442 Section 21. Section **59-2-924** is amended to read:

1443 **59-2-924. Report of valuation of property to county auditor and commission --**  
1444 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
1445 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1446 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to  
1447 the county auditor and the commission the following statements:

1448 (i) a statement containing the aggregate valuation of all taxable property in each taxing  
1449 entity; and

1450 (ii) a statement containing the taxable value of any additional personal property  
1451 estimated by the county assessor to be subject to taxation in the current year.

1452 (b) The county auditor shall, on or before June 8, transmit to the governing body of  
1453 each taxing entity:

1454 (i) the statements described in Subsections (1)(a)(i) and (ii);  
1455 (ii) an estimate of the revenue from personal property;  
1456 (iii) the certified tax rate; and  
1457 (iv) all forms necessary to submit a tax levy request.

1458 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad  
1459 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the  
1460 prior year.

1461 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not  
1462 include:

1463 (A) collections from redemptions;  
1464 (B) interest;  
1465 (C) penalties; and  
1466 (D) revenue received by a taxing entity from personal property that is:  
1467 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and  
1468 (II) semiconductor manufacturing equipment.

1469 (iii) (A) Except as otherwise provided in this section, the certified tax rate shall be  
1470 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
1471 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).

1472 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity  
1473 shall calculate an amount as follows:

1474 (I) calculate for the taxing entity the difference between:  
1475 (Aa) the aggregate taxable value of all property taxed; and  
1476 (Bb) any redevelopment adjustments for the current calendar year;  
1477 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an  
1478 amount determined by increasing or decreasing the amount calculated under Subsection  
1479 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for  
1480 the equalization period for the three calendar years immediately preceding the current calendar  
1481 year;

1482 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the  
1483 product of:

1484 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and



1485 (Bb) the percentage of property taxes collected for the five calendar years immediately  
1486 preceding the current calendar year; and

1487 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an  
1488 amount determined by subtracting from the amount calculated under Subsection  
1489 (2)(a)(iii)(B)(III) any new growth as defined in this section:

1490 (Aa) within the taxing entity; and

1491 (Bb) for the current calendar year.

1492 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all  
1493 property taxed:

1494 (I) except as provided in Subsection (2)(a)(iii)(C)(II), includes the total taxable value of  
1495 the real and personal property contained on the tax rolls of the taxing entity; and

1496 (II) does not include the total taxable value of personal property contained on the tax  
1497 rolls of the taxing entity that is:

1498 (Aa) assessed by a county assessor in accordance with Part 3, County Assessment; and

1499 (Bb) semiconductor manufacturing equipment.

1500 (D) For purposes of Subsection (2)(a)(iii)(B)(II), for calendar years beginning on or  
1501 after January 1, 2007, the value of taxable property does not include the value of personal  
1502 property that is:

1503 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1504 County Assessment; and

1505 (II) semiconductor manufacturing equipment.

1506 (E) For purposes of Subsection (2)(a)(iii)(B)(III)(Bb), for calendar years beginning on  
1507 or after January 1, 2007, the percentage of property taxes collected does not include property  
1508 taxes collected from personal property that is:

1509 (I) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1510 County Assessment; and

1511 (II) semiconductor manufacturing equipment.

1512 (F) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
1513 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
1514 year.

1515 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking

Act, the commission shall make rules determining the calculation of ad valorem property tax revenues budgeted by a taxing entity.

(B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are calculated for purposes of Section 59-2-913.

(v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v) shall be calculated as follows:

(A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified tax rate is zero;

(B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

(I) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22); and

(C) for debt service voted on by the public, the certified tax rate shall be the actual levy imposed by that section, except that the certified tax rates for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(I) the school [leeways] appropriation provided for under [Sections 11-2-7, 53A-16-110,] Section 53A-17a-125~~[, 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103];~~ and

(II) levies to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-906.3.

(vi) (A) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be established at that rate which is sufficient to generate only the revenue required to satisfy one or more eligible judgments, as defined in Section 59-2-102.

(B) The ad valorem property tax revenue generated by the judgment levy shall not be considered in establishing the taxing entity's aggregate certified tax rate.

(b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the taxable value of property on the assessment roll.

(ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the

1547 assessment roll does not include:

1548 (A) new growth as defined in Subsection (2)(b)(iii); or

1549 (B) the total taxable value of personal property contained on the tax rolls of the taxing  
1550 entity that is:

1551 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1552 (II) semiconductor manufacturing equipment.

1553 (iii) "New growth" means:

1554 (A) the difference between the increase in taxable value of the taxing entity from the  
1555 previous calendar year to the current year; minus

1556 (B) the amount of an increase in taxable value described in Subsection (2)(b)(v).

1557 (iv) For purposes of Subsection (2)(b)(iii), the taxable value of the taxing entity does  
1558 not include the taxable value of personal property that is:

1559 (A) contained on the tax rolls of the taxing entity if that property is assessed by a  
1560 county assessor in accordance with Part 3, County Assessment; and

1561 (B) semiconductor manufacturing equipment.

1562 (v) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

1563 (A) the amount of increase to locally assessed real property taxable values resulting  
1564 from factoring, reappraisal, or any other adjustments; or

1565 (B) the amount of an increase in the taxable value of property assessed by the  
1566 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
1567 taxable value prescribed by:

1568 (I) the Legislature;

1569 (II) a court;

1570 (III) the commission in an administrative rule; or

1571 (IV) the commission in an administrative order.

1572 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
1573 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
1574 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
1575 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
1576 rate to offset the increased revenues.

1577 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under

1578 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

1579 (A) decreased on a one-time basis by the amount of the estimated sales and use tax  
1580 revenue to be distributed to the county under Subsection 59-12-1102(3); and

1581 (B) increased by the amount necessary to offset the county's reduction in revenue from  
1582 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
1583 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
1584 (2)(d)(i)(A).

1585 (ii) The commission shall determine estimates of sales and use tax distributions for  
1586 purposes of Subsection (2)(d)(i).

1587 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort  
1588 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
1589 decreased on a one-time basis by the amount necessary to offset the first 12 months of  
1590 estimated revenue from the additional resort communities sales and use tax imposed under  
1591 Section 59-12-402.

1592 (f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under  
1593 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the  
1594 unincorporated area of the county shall be decreased by the amount necessary to reduce  
1595 revenues in that fiscal year by an amount equal to the difference between the amount the county  
1596 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services  
1597 countywide and the amount the county spent during fiscal year 2000 for those services,  
1598 excluding amounts spent from a municipal services fund for those services.

1599 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection  
1600 (2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal  
1601 year by the amount that the county spent during fiscal year 2000 for advanced life support and  
1602 paramedic services countywide, excluding amounts spent from a municipal services fund for  
1603 those services.

1604 (ii) (A) A city or town located within a county of the first class to which Subsection  
1605 (2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within  
1606 the city or town the same amount of revenues as the county would collect from that city or  
1607 town if the decrease under Subsection (2)(f)(i) did not occur.

1608 (B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year

or spread over multiple fiscal years, is not subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

(g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to provide detective investigative services to the unincorporated area of the county shall be decreased:

(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year by at least \$4,400,000; and

(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year by an amount equal to the difference between \$9,258,412 and the amount of the reduction in revenues under Subsection (2)(g)(i)(A).

(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the city or town the same amount of revenue as the county would have collected during county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).

(II) Beginning with municipal fiscal year 2003, a city or town located within a county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the city or town the same amount of revenue as the county would have collected during county fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).

(B) (I) Except as provided in Subsection (2)(g)(ii)(B)(II), an increase in the city or town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year or spread over multiple fiscal years, is subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

(II) For an increase under this Subsection (2)(g)(ii) that generates revenue that does not exceed the same amount of revenue as the county would have collected except for Subsection (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

(Aa) publishes a notice that meets the size, type, placement, and frequency requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed by the county to one imposed by the city or town, and explains how the revenues from the tax increase will be used; and

(Bb) holds a public hearing on the tax shift that may be held in conjunction with the city or town's regular budget hearing.

1640 (h) (i) This Subsection (2)(h) applies to each county that:  
1641 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
1642 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
1643 17A-2-1304(1)(a)(x); and  
1644 (B) levies a property tax on behalf of the special service district under Section  
1645 17A-2-1322.

1646 (ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies  
1647 shall be decreased by the amount necessary to reduce county revenues by the same amount of  
1648 revenues that will be generated by the property tax imposed on behalf of the special service  
1649 district.

1650 (B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with  
1651 the levy on behalf of the special service district under Section 17A-2-1322.

1652 (i) (i) As used in this Subsection (2)(i):  
1653 (A) "Annexing county" means a county whose unincorporated area is included within a  
1654 fire district by annexation.

1655 (B) "Annexing municipality" means a municipality whose area is included within a fire  
1656 district by annexation.

1657 (C) "Equalized fire protection tax rate" means the tax rate that results from:  
1658 (I) calculating, for each participating county and each participating municipality, the  
1659 property tax revenue necessary to cover all of the costs associated with providing fire  
1660 protection, paramedic, and emergency services:  
1661 (Aa) for a participating county, in the unincorporated area of the county; and  
1662 (Bb) for a participating municipality, in the municipality; and  
1663 (II) adding all the amounts calculated under Subsection (2)(i)(i)(C)(I) for all  
1664 participating counties and all participating municipalities and then dividing that sum by the  
1665 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:  
1666 (Aa) for participating counties, in the unincorporated area of all participating counties;  
1667 and  
1668 (Bb) for participating municipalities, in all the participating municipalities.

1669 (D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service  
1670 Area Act, in the creation of which an election was not required under Subsection

1671 17B-1-214(3)(c).

1672 (E) "Fire protection tax rate" means:

1673 (I) for an annexing county, the property tax rate that, when applied to taxable property  
1674 in the unincorporated area of the county, generates enough property tax revenue to cover all the  
1675 costs associated with providing fire protection, paramedic, and emergency services in the  
1676 unincorporated area of the county; and

1677 (II) for an annexing municipality, the property tax rate that generates enough property  
1678 tax revenue in the municipality to cover all the costs associated with providing fire protection,  
1679 paramedic, and emergency services in the municipality.

1680 (F) "Participating county" means a county whose unincorporated area is included  
1681 within a fire district at the time of the creation of the fire district.

1682 (G) "Participating municipality" means a municipality whose area is included within a  
1683 fire district at the time of the creation of the fire district.

1684 (ii) In the first year following creation of a fire district, the certified tax rate of each  
1685 participating county and each participating municipality shall be decreased by the amount of  
1686 the equalized fire protection tax rate.

1687 (iii) In the first year following annexation to a fire district, the certified tax rate of each  
1688 annexing county and each annexing municipality shall be decreased by the fire protection tax  
1689 rate.

1690 (iv) Each tax levied under this section by a fire district shall be considered to be levied  
1691 by:

1692 (A) each participating county and each annexing county for purposes of the county's  
1693 tax limitation under Section 59-2-908; and

1694 (B) each participating municipality and each annexing municipality for purposes of the  
1695 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a  
1696 city.

1697 (j) For the calendar year beginning on January 1, 2007, the calculation of a taxing  
1698 entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the  
1699 certified tax rate that may result from excluding the following from the certified tax rate under  
1700 Subsection (2)(a) enacted by the Legislature during the 2007 General Session:

1701 (i) personal property tax revenue:

- 1702 (A) received by a taxing entity;
- 1703 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1704 (C) for personal property that is semiconductor manufacturing equipment; or
- 1705 (ii) the taxable value of personal property:
- 1706 (A) contained on the tax rolls of a taxing entity;
- 1707 (B) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1708 (C) that is semiconductor manufacturing equipment.
- 1709 (k) For the calendar year beginning on January 1, 2009, the calculation of a school
- 1710 district's certified tax rate shall be adjusted by the amount necessary to offset any change in the
- 1711 certified tax rate that may result from the repeal of the school district's authority to levy
- 1712 property taxes as repealed or amended by the Legislature during the 2008 General Session:
- 1713 (i) Section 11-2-7;
- 1714 (ii) Section 53A-16-107;
- 1715 (iii) Section 53A-16-110;
- 1716 (iv) Section 53A-16-111;
- 1717 (v) Section 53A-17a-127;
- 1718 (vi) Section 53A-17a-133;
- 1719 (vii) Section 53A-17a-134;
- 1720 (viii) Section 53A-17a-143;
- 1721 (ix) Section 53A-17a-145;
- 1722 (x) Section 53A-17a-151; and
- 1723 (xi) Section 63-30d-704.
- 1724 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.
- 1725 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
- 1726 auditor of:
- 1727 (i) its intent to exceed the certified tax rate; and
- 1728 (ii) the amount by which it proposes to exceed the certified tax rate.
- 1729 (c) The county auditor shall notify all property owners of any intent to exceed the
- 1730 certified tax rate in accordance with Subsection 59-2-919(2).
- 1731 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
- 1732 reduced for any year to the extent necessary to provide a community development and renewal



agency established under Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies, with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:

(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i);

(ii) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(iii) the decrease results in a reduction of the amount to be paid to the agency under Section 17C-1-403 or 17C-1-404.

(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any year to the extent necessary to provide a community development and renewal agency with approximately the same amount of money as the agency would have received without an increase in the certified tax rate that year if:

(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

(ii) The certified tax rate of a city, school district, local district, or special service district increases independent of the adjustment to the taxable value of the base year.

(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community development and renewal agency established under Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies, for the payment of bonds or other contract indebtedness, but not for administrative costs, may not be less than that amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i).

Section 22. Section **59-12-103** is amended to read:

**59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**

(1) A tax is imposed on the purchaser as provided in this part for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

(b) amounts paid:

1764 (i) to a:  
1765 (A) telephone service provider regardless of whether the telephone service provider is  
1766 municipally or privately owned; or  
1767 (B) telegraph corporation:  
1768 (I) as defined in Section 54-2-1; and  
1769 (II) regardless of whether the telegraph corporation is municipally or privately owned;  
1770 and  
1771 (ii) for:  
1772 (A) telephone service, other than mobile telecommunications service, that originates  
1773 and terminates within the boundaries of this state;  
1774 (B) mobile telecommunications service that originates and terminates within the  
1775 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
1776 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
1777 (C) telegraph service;  
1778 (c) sales of the following for commercial use:  
1779 (i) gas;  
1780 (ii) electricity;  
1781 (iii) heat;  
1782 (iv) coal;  
1783 (v) fuel oil; or  
1784 (vi) other fuels;  
1785 (d) sales of the following for residential use:  
1786 (i) gas;  
1787 (ii) electricity;  
1788 (iii) heat;  
1789 (iv) coal;  
1790 (v) fuel oil; or  
1791 (vi) other fuels;  
1792 (e) sales of prepared food;  
1793 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or  
1794 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

1795 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
1796 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
1797 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
1798 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
1799 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
1800 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
1801 exhibition, cultural, or athletic activity;

1802 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
1803 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

1804 (i) the tangible personal property; and

1805 (ii) parts used in the repairs or renovations of the tangible personal property described  
1806 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations  
1807 of that tangible personal property;

1808 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
1809 assisted cleaning or washing of tangible personal property;

1810 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
1811 accommodations and services that are regularly rented for less than 30 consecutive days;

1812 (j) amounts paid or charged for laundry or dry cleaning services;

1813 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
1814 this state the tangible personal property is:

1815 (i) stored;

1816 (ii) used; or

1817 (iii) otherwise consumed;

1818 (l) amounts paid or charged for tangible personal property if within this state the  
1819 tangible personal property is:

1820 (i) stored;

1821 (ii) used; or

1822 (iii) consumed; and

1823 (m) amounts paid or charged for prepaid telephone calling cards.

1824 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
1825 is imposed on a transaction described in Subsection (1) equal to the sum of:

1826 (i) a state tax imposed on the transaction at a tax rate of [~~4.65%~~] 6.3%; and  
1827 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1828 transaction under this chapter other than this part.

1829 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
1830 on a transaction described in Subsection (1)(d) equal to the sum of:

1831 (i) a state tax imposed on the transaction at a tax rate of 2%; and  
1832 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1833 transaction under this chapter other than this part.

1834 (c) Except as provided in Subsection (2)(d) or (e), beginning on January 1, 2007, a  
1835 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients  
1836 equal to the sum of:

1837 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
1838 a tax rate of 1.75%; and  
1839 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
1840 amounts paid or charged for food and food ingredients under this chapter other than this part.

1841 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with  
1842 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local  
1843 tax is imposed on the transaction equal to the sum of:

1844 (i) a state tax imposed on the transaction at a tax rate of:

1845 (A) [~~4.65%~~] 6.3% for a transaction other than a transaction described in Subsection  
1846 (2)(d)(i)(B) or (2)(d)(i)(C);  
1847 (B) 2% for a transaction described in Subsection (1)(d); or  
1848 (C) beginning on January 1, 2007, 1.75% on the amounts paid or charged for food and  
1849 food ingredients; and

1850 (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following  
1851 tax rates:

1852 (A) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,  
1853 and towns in the state impose the tax authorized by Section 59-12-204; and  
1854 (B) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the  
1855 state impose the tax authorized by Section 59-12-1102.

1856 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as

provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction at the tax rate described in Subsection (2)(a)(i); and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction at the tax rate described in Subsection (2)(d)(i)(A); and

(B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum of the following tax rates:

(I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities, and towns in the state impose the tax authorized by Section 59-12-204; and

(II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the state impose the tax authorized by Section 59-12-1102.

(f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i);

(iv) Subsection (2)(d)(i);

(v) Subsection (2)(e)(ii)(A); or

(vi) Subsection (2)(e)(iii)(A).

(g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the tax rate

1888 increase if the billing period for the transaction begins before the effective date of a tax rate  
1889 increase imposed under:

- 1890 (A) Subsection (2)(a)(i);
- 1891 (B) Subsection (2)(b)(i);
- 1892 (C) Subsection (2)(c)(i);
- 1893 (D) Subsection (2)(d)(i);
- 1894 (E) Subsection (2)(e)(ii)(A); or
- 1895 (F) Subsection (2)(e)(iii)(A).

1896 (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate  
1897 decrease shall take effect on the first day of the last billing period that began before the  
1898 effective date of the repeal of the tax or the tax rate decrease if the billing period for the  
1899 transaction begins before the effective date of the repeal of the tax or the tax rate decrease  
1900 imposed under:

- 1901 (A) Subsection (2)(a)(i);
- 1902 (B) Subsection (2)(b)(i);
- 1903 (C) Subsection (2)(c)(i);
- 1904 (D) Subsection (2)(d)(i);
- 1905 (E) Subsection (2)(e)(ii)(A); or
- 1906 (F) Subsection (2)(e)(iii)(A).

1907 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:

- 1908 (A) Subsection (1)(b);
- 1909 (B) Subsection (1)(c);
- 1910 (C) Subsection (1)(d);
- 1911 (D) Subsection (1)(e);
- 1912 (E) Subsection (1)(f);
- 1913 (F) Subsection (1)(g);
- 1914 (G) Subsection (1)(h);
- 1915 (H) Subsection (1)(i);
- 1916 (I) Subsection (1)(j); or
- 1917 (J) Subsection (1)(k).

1918 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale

1919 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal  
1920 or change in a tax rate takes effect:

1921 (A) on the first day of a calendar quarter; and  
1922 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1923 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:

1924 (A) Subsection (2)(a)(i);

1925 (B) Subsection (2)(b)(i);

1926 (C) Subsection (2)(c)(i);

1927 (D) Subsection (2)(d)(i);

1928 (E) Subsection (2)(e)(ii)(A); or

1929 (F) Subsection (2)(e)(iii)(A).

1930 (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
1931 the commission may by rule define the term "catalogue sale."

1932 (3) (a) Except as provided in Subsections (4) through (10), the following state taxes  
1933 shall be deposited into the General Fund:

1934 (i) the tax imposed by Subsection (2)(a)(i);

1935 (ii) the tax imposed by Subsection (2)(b)(i);

1936 (iii) the tax imposed by Subsection (2)(c)(i);

1937 (iv) the tax imposed by Subsection (2) (d)(i);

1938 (v) the tax imposed by Subsection (2)(e)(ii)(A); and

1939 (vi) the tax imposed by Subsection (2)(e)(iii)(A).

1940 (b) The following local taxes shall be distributed to a county, city, or town as provided  
1941 in this chapter:

1942 (i) the tax imposed by Subsection (2)(a)(ii);

1943 (ii) the tax imposed by Subsection (2)(b)(ii);

1944 (iii) the tax imposed by Subsection (2)(c)(ii); and

1945 (iv) the tax imposed by Subsection (2)(e)(ii)(B).

1946 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the  
1947 state shall receive the county's, city's, or town's proportionate share of the revenues generated  
1948 by the following local taxes as provided in Subsection (3)(c)(ii):

1949 (A) the local tax described in Subsection (2)(d)(ii); and

1950 (B) the local tax described in Subsection (2)(e)(iii)(B).  
1951 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission  
1952 shall determine a county's, city's, or town's proportionate share of the revenues by:  
1953 (A) calculating an amount equal to the population of the unincorporated area of the  
1954 county, city, or town divided by the total population of the state; and  
1955 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total  
1956 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,  
1957 cities, and towns.  
1958 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for  
1959 purposes of this section shall be derived from the most recent official census or census estimate  
1960 of the United States Census Bureau.  
1961 (B) If a needed population estimate is not available from the United States Census  
1962 Bureau, population figures shall be derived from the estimate from the Utah Population  
1963 Estimates Committee created by executive order of the governor.  
1964 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
1965 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
1966 through (g):  
1967 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:  
1968 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and  
1969 (B) for the fiscal year; or  
1970 (ii) \$17,500,000.  
1971 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
1972 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
1973 Department of Natural Resources to:  
1974 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to  
1975 protect sensitive plant and animal species; or  
1976 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
1977 act, to political subdivisions of the state to implement the measures described in Subsections  
1978 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.  
1979 (ii) Money transferred to the Department of Natural Resources under Subsection  
1980 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other



1981 person to list or attempt to have listed a species as threatened or endangered under the  
1982 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1983 (iii) At the end of each fiscal year:

1984 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
1985 Conservation and Development Fund created in Section 73-10-24;

1986 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
1987 Program Subaccount created in Section 73-10c-5; and

1988 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
1989 Program Subaccount created in Section 73-10c-5.

1990 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
1991 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
1992 created in Section 4-18-6.

1993 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
1994 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
1995 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
1996 water rights.

1997 (ii) At the end of each fiscal year:

1998 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
1999 Conservation and Development Fund created in Section 73-10-24;

2000 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
2001 Program Subaccount created in Section 73-10c-5; and

2002 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
2003 Program Subaccount created in Section 73-10c-5.

2004 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
2005 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development  
2006 Fund created in Section 73-10-24 for use by the Division of Water Resources.

2007 (ii) In addition to the uses allowed of the Water Resources Conservation and  
2008 Development Fund under Section 73-10-24, the Water Resources Conservation and  
2009 Development Fund may also be used to:

2010 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
2011 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

2012 quantifying surface and ground water resources and describing the hydrologic systems of an  
2013 area in sufficient detail so as to enable local and state resource managers to plan for and  
2014 accommodate growth in water use without jeopardizing the resource;

2015 (B) fund state required dam safety improvements; and

2016 (C) protect the state's interest in interstate water compact allocations, including the  
2017 hiring of technical and legal staff.

2018 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
2019 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount  
2020 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2021 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
2022 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount  
2023 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2024 (i) provide for the installation and repair of collection, treatment, storage, and  
2025 distribution facilities for any public water system, as defined in Section 19-4-102;

2026 (ii) develop underground sources of water, including springs and wells; and

2027 (iii) develop surface water sources.

2028 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2029 2006, the difference between the following amounts shall be expended as provided in this  
2030 Subsection (5), if that difference is greater than \$1:

2031 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
2032 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

2033 (ii) \$17,500,000.

2034 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2035 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
2036 credits; and

2037 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
2038 restoration.

2039 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
2040 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
2041 created in Section 73-10-24.

2042 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

2043 remaining difference described in Subsection (5)(a) shall be:

2044 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
2045 credits; and

2046 (B) expended by the Division of Water Resources for cloud-seeding projects  
2047 authorized by Title 73, Chapter 15, Modification of Weather.

2048 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
2049 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
2050 created in Section 73-10-24.

2051 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
2052 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
2053 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
2054 Division of Water Resources for:

2055 (i) preconstruction costs:

2056 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
2057 26, Bear River Development Act; and

2058 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
2059 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

2060 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
2061 Chapter 26, Bear River Development Act;

2062 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
2063 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2064 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and  
2065 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2066 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water  
2067 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

2068 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to  
2069 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be  
2070 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
2071 incurred for employing additional technical staff for the administration of water rights.

2072 (g) At the end of each fiscal year, any unexpended dedicated credits described in  
2073 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development

2074 Fund created in Section 73-10-24.

2075           (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2076 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
2077 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
2078 the Transportation Fund created by Section 72-2-102.

2079           (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,  
2080 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial  
2081 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed  
2082 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable  
2083 transactions under Subsection (1).

2084           (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds  
2085 have been paid off and the highway projects completed that are intended to be paid from  
2086 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
2087 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of  
2088 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
2089 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
2090 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2091           (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal  
2092 year 2004-05, the commission shall each year on or before the September 30 immediately  
2093 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)  
2094 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is  
2095 greater than \$0.

2096           (b) The difference described in Subsection (8)(a) is equal to the difference between:

2097           (i) the total amount of the revenues the commission received from sellers collecting the  
2098 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately  
2099 preceding the September 30 described in Subsection (8)(a); and

2100           (ii) \$7,279,673.

2101           (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in  
2102 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after  
2103 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund  
2104 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection

2105 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a  
2106 portion of the approximately 17% of sales and use tax revenues generated annually by the sales  
2107 and use tax on vehicles and vehicle-related products:

- 2108 (i) the tax imposed by Subsection (2)(a)(i);
- 2109 (ii) the tax imposed by Subsection (2)(b)(i);
- 2110 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2111 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2112 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under  
2113 Subsection (7)(b), when the highway general obligation bonds have been paid off and the  
2114 highway projects completed that are intended to be paid from revenues deposited in the  
2115 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations  
2116 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the  
2117 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes  
2118 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,  
2119 which represents a portion of the approximately 17% of sales and use tax revenues generated  
2120 annually by the sales and use tax on vehicles and vehicle-related products:

- 2121 (i) the tax imposed by Subsection (2)(a)(i);
- 2122 (ii) the tax imposed by Subsection (2)(b)(i);
- 2123 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2124 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2125 (10) (a) Notwithstanding Subsection (3)(a) and until Subsection (10)(b) applies, the  
2126 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes  
2127 listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section  
2128 72-2-125.

2129 (b) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under  
2130 Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101  
2131 have been paid off and the highway projects completed that are included in the prioritized  
2132 project list under Subsection 72-2-125(4) as determined in accordance with Subsection  
2133 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues  
2134 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund  
2135 of 2005 created by Section 72-2-124.

2136           (11) (a) Notwithstanding Subsection (3)(a), beginning on January 1, 2009, the Division  
2137 of Finance shall deposit into the Uniform School Fund a portion of the taxes listed under  
2138 Subsection (3)(a) equal to the revenues generated by a 1.65% tax rate on the taxable  
2139 transactions under Subsection (1).

2140           (b) For purposes of this Subsection (11), taxable transactions under Subsection (1) do  
2141 not include:

2142           (i) taxable transactions on a transaction described in Subsection (1)(d); or

2143           (ii) the amounts paid or charged for food and food ingredients.

2144           (c) The revenue deposited into the Uniform School Fund under Subsection (11)(a)  
2145 shall be allocated to school districts in accordance with Section 53A-17a-154.

2146           Section 23. Section **59-12-1201** is amended to read:

2147           **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
2148 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

2149           (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
2150 short-term leases and rentals of motor vehicles not exceeding 30 days.

2151           (b) The tax imposed in this section is in addition to all other state, county, or municipal  
2152 fees and taxes imposed on rentals of motor vehicles.

2153           (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
2154 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

2155           (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
2156 take effect on the first day of the first billing period:

2157                   (A) that begins after the effective date of the tax rate increase; and

2158                   (B) if the billing period for the transaction begins before the effective date of a tax rate  
2159 increase imposed under Subsection (1).

2160           (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
2161 rate decrease shall take effect on the first day of the last billing period:

2162                   (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
2163 and

2164                   (B) if the billing period for the transaction begins before the effective date of the repeal  
2165 of the tax or the tax rate decrease imposed under Subsection (1).

2166           (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

2167 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;  
2168 (b) the motor vehicle is rented as a personal household goods moving van; or  
2169 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
2170 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
2171 insurance agreement.

2172 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
2173 enforced in accordance with:

2174 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
2175 Tax Collection; and

2176 (B) Chapter 1, General Taxation Policies.

2177 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
2178 Subsections 59-12-103(4) through ~~(9)~~ (11) or Section 59-12-107.1.

2179 (b) The commission may retain a maximum of 1-1/2% of the tax collected under this  
2180 section for the costs of rendering its services under this section.

2181 (c) Except as provided under Subsection (4)(b), all revenue received by the  
2182 commission under this section shall be deposited daily with the state treasurer and credited  
2183 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section  
2184 72-2-117.

2185 Section 24. Section **63-30d-704** is amended to read:

2186 **63-30d-704. Tax levy by political subdivisions for payment of claims, judgments,**  
2187 **or insurance premiums.**

2188 (1) For purposes of this section, "political subdivision" does not include a school  
2189 district.

2190 ~~[(1)]~~ (2) Notwithstanding any provision of law to the contrary, a political subdivision  
2191 may levy an annual property tax sufficient to pay:

2192 (a) any claim, settlement, or judgment;

2193 (b) the costs to defend against any claim, settlement, or judgment; or

2194 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
2195 settlements, or judgments that may be reasonably anticipated.

2196 ~~[(2)]~~ (3) (a) The payments authorized to pay for punitive damages or to pay the  
2197 premium for authorized insurance is money spent for a public purpose within the meaning of

2198 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the  
2199 maximum levy as otherwise restricted by law is exceeded.

2200 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable  
2201 property.

2202 (c) The revenues derived from this levy may not be used for any purpose other than  
2203 those specified in this section.

2204 Section 25. **Repealer.**

2205 This bill repeals:

2206 Section **53A-2-114, Additional levies -- School board options to abolish or continue**  
2207 **after consolidation.**

2208 Section **53A-2-115, Additional levies in transferred territory -- Transferee board**  
2209 **option to abolish or continue.**

2210 Section **53A-16-107, Debt service and capital outlay -- Maintenance of school**  
2211 **plants -- Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**

2212 Section **53A-16-110, Special tax to buy school building sites, build and furnish**  
2213 **schoolhouses, or improve school property.**

2214 Section **53A-17a-133, State-supported voted leeway program authorized -- Election**  
2215 **requirements -- State guarantee -- Reconsideration of the program.**

2216 Section **53A-17a-134, Board-approved leeway -- Purpose -- State support --**  
2217 **Disapproval.**

2218 Section **53A-17a-143, District tax rate -- Increase of local property tax rate --**  
2219 **Termination.**

2220 Section **53A-17a-145, Additional levy by district for debt service, school sites,**  
2221 **buildings, buses, textbooks, and supplies.**

2222 Section **53A-17a-151, Board leeway for reading improvement.**

2223 Section 26. **Effective date -- Retrospective operation.**

2224 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2009.

2225 (2) Section 59-2-919.1 has retrospective operation for taxable years beginning on or  
2226 after January 1, 2008.



---

**Legislative Review Note**  
as of 2-11-08 1:50 PM

**Office of Legislative Research and General Counsel**

---

---

**H.B. 391 - Public School Funding****Fiscal Note**

2008 General Session

State of Utah

---

---

**State Impact**

Enactment of this bill would increase sales tax revenue to be allocated to schools by \$614,000,000 in FY 2010. The bill increases sales tax for part of FY 2009. This increase is \$292 million. This revenue would be distributed to the schools based on WPU's.

	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
	<b><u>Approp.</u></b>	<b><u>Approp.</u></b>	<b><u>Approp.</u></b>	<b><u>Revenue</u></b>	<b><u>Revenue</u></b>	<b><u>Revenue</u></b>
Uniform School Fund	\$0	\$0	\$614,000,000	\$0	\$292,000,000	\$614,000,000
Property Tax	\$0	\$0	(\$610,000,000)	\$0	\$0	(\$610,000,000)
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$292,000,000</b>	<b>\$4,000,000</b>

**Individual, Business and/or Local Impact**

Enactment of this bill repeals certain property taxes imposed by school districts. Property tax is likely to decrease by \$610,000,000 in FY 2010. Individuals and businesses will experience a property tax decrease and a sales tax increase. The effect on locals and school districts depends on the structure of the respective revenue sources and on the weighted pupil unit.